

THE VICE PRESIDENT
WASHINGTON

January 19, 1967

MEMORANDUM

TO: Dick Helms

FROM: The Vice President

I call to your attention a memorandum that I have received from one of the most knowledgeable men in the field of agriculture. He knows everybody in the commodity field and particularly the top importers and exporters. He has made a very careful study of the Soviet economy for years. I will identify the man for you at your request. But take my word for it, he knows his business. The attached memorandum expresses his concern and one that I have heard several places in the private trade but not in government circles.

I would welcome your comment.

Economic Warfare by the Soviets

There is a strong economic warfare operation by the USSR to utilize their sunflower oil supplies to displace the United States as a supplier of soybean oil.

A recent returnee from Iran advises me that this cash dollar market, which had been developed to a 120 million pound annual level, is being taken over by the Russians through the technique of cut prices with guaranteed supplies at low levels over a three year period. Similar efforts are taking place in Turkey, Morocco and the United Arab Republic where the Russians have recently delivered 20 million pounds of sunflower oil, 24 million pounds and 48 million pounds, respectively. (Also, the Russians are now providing wheat to the Egyptians and displacing U.S. wheat and flour).

The ultimate objective of the Soviets may be the petroleum supplies of the Middle East. That is now only visible is the fact in the door.

Similar cut price technique is being utilized in Hong Kong by the Communist Chinese as it relates to edible oils.

The net effect has been to force down world prices below U.S. levels. This will reduce the proportion and volume of dollar sales of oil.

The Administration should consider the world implications of the Communist efforts, and develop some answers. I'll be glad to discuss some possible ones with you.

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Remarks:

Prepare draft for DCI signature. Due Date is
Thursday, 26 Jan, to ~~2/2~~ OD/ORR.

Paper from DDI (DDI262-67 and ER 67-270)
which was sent to DDI from DCI: Letter received
from Vice Pres to DCI re Econ Warfare by the
Soviets, in particular Sov sunflower oil supplies.

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
OD/ORR 4F 18 Hq. 7581	24 Jan 67

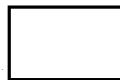
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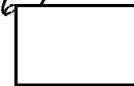
Please provide
"Comments" for my
signature

STATINTL



(R. Helms)

Director asks you
for comments on a letter
from the Vice President.
ORR should be able
to handle.
Bill, Please handle
23 Jan 67



STATINTL